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February 28, 2005

Mary L. Cottrell, Secretary
MA Department of Telecommunications and Energy
One South Station
Boston, MA 02202

Re: Bay State Gas Company CY 2004 Service Quality Report, D.T.E. 05-12

Dear Ms. Cottrell:

Enclosed please find Bay State Gas Company's ("Bay State" or "Company") CY 2004 Service Quality Report ("CY 2004 SQ Report"). This SQ Report reflects the Massachusetts Department of Telecommunications and Energy's ("Department") directives set forth in its February 22, 2005, memorandum regarding the appropriate filing format for service quality reports ("Memorandum").

The Company's CY 2004 SQ Report has been organized in the following manner:

Section One: Form A

Page 1 – Penalty Provisions Requirements
Page 2 – Additional Reporting Requirements

Section Two: Historic Information

Page 1 – Summary of BSG SQ Performance – Penalty Provisions
Page 2 - Summary of BSG Capital Spending
Page 3 - Summary of BSG Unaccounted For Gas
Page 4 – Summary of BSG/NUI Staffing
Page 5 – Summary of BSG Customer Satisfaction Survey Results

Section Three: CY 2004 Back-up Data

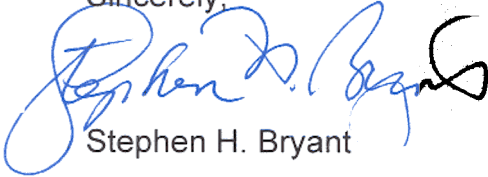
Page 1 –TSF (Non-Emergency and Emergency)
Page 2 - Service Appointment Kept
Page 3 - On-Cycle Meter Reads
Page 4 - Consumer Division Case
Page 5 - Billing Adjustments
Page 6 - Lost Time Accident Rate and Restricted Work-Day Rate
Page 7 - Response to Odor Calls
Page 8 - Consumer Survey
Page 9 - Customer Service Guarantees

Appendix A: CY 2004 Capital Spending Detail
Appendix B: CY 2004 Inventory Report

The Company has met all of its targets associated with penalty-related service quality measurement categories. Therefore, Bay State has not incurred any penalties during the CY 2004 Reporting Period.

Please date stamp a copy of this letter for our files, and return in the enclosed envelop. Also, please feel free to contact me at (508) 836-7267 should you have any questions concerning this filing.

Sincerely,



Stephen H. Bryant

cc: Jody Stiefel, Esq. (one copy)
Glenn Shippee (six copies)
Carol Wasserman, DOER
Joseph Rogers, Esq.
Patricia M. French, Esq.

**Bay State Gas Company
Service Quality Report for CY 2004
D.T.E. 05-12
Section One**

FORM A

BAY STATE GAS COMPANY

CY 2004 SQ Report Filed March 1, 2005

CY 2002 Historic Data Cross Reference List	PENALTY PROVISIONS	Years in Database 1/	Mean and Benchmark 2/	Performance in 2004	Comments
Section 3, Page 1	Telephone Answering Factor Within 30 Seconds (%)	6	Mean - 69.9% Benchmark - 64.9%	85.8%	
Section 3, Page 1	Telephone Answering Factor Within 20 Seconds (%)	2	Mean - 69.3%	83.9%	The Company began collecting data on this measure during 2002.
Section 3, Page 1	Emergency Answering Within 30 Seconds (%)	6	Mean - 96.8% Benchmark - 94.7%	97.6%	
Section 3, Page 1	Emergency Answering Within 20 Seconds (%)	2	Mean - 92.5%	95.3%	The Company began collecting data on this measure during 2002.
Section 3, Page 2	Service Appointments Kept (%)	7	Mean - 97.7% Benchmark - 96.5%	99.5%	
Section 3, Page 3	On-Cycle Meter Reads (%)	11	Mean - 89.6% Benchmark - 86.6%	96.8%	
Section 3, Page 4	Consumer Division Cases	12	Mean - 1.6 Benchmark - 2.0	0.97	
Section 3, Page 5	Bill Adjustments (\$/1000 customers)	12	Mean - \$116.42 Benchmark - \$180.00	\$42.37	
Section 3, Page 6	Lost Time Accident Rate (# of acc/200,000 employee hours)	9	Mean - 3.86 Benchmark - 4.66	2.69	
Section 3, Page 7	Response to Odor Calls (%)	n/a	Target - 95%	98.2%	Historic information is not applicable as the benchmark is set by the DTE. Therefore, no mean was calculated.

Notes: 1/ See Section Two - Page 1 for a summary of BSG SQ performance history for each of these penalty-related measures.
2/ See Section Two, Page 1 for a listing of the Mean and Standard Deviation calculations for each measure. The Benchmark = Mean +/- Standard Deviation.

FORM A (CONTINUED)

BAY STATE GAS COMPANY

CY 2004 SQ Report Filed March 1, 2005

CY 2002 Data Cross Reference List	ADDITIONAL REPORTING REQUIREMENTS	Years in Database	Mean and Benchmark	Performance in 2004	Comments
Section 2, Page 4	Staffing Levels	12	Mean: 76		Per the Department's Letter Order dated May 28, 2002, pp. 3-4, no benchmark was established for this measure by the DTE. The Company notes that the reported staffing levels ending 12/31/04 reflect both Bay State employees who still work at Bay State and are now Corporate Service employees as well as positions that were eliminated from Bay State and now performed in other locations.
Section 3, Page 6	Restricted Work Day Rate (# of acc/200,000 employee hours)	n/a	n/a	4.36	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
4/	Property Damage > \$5K (#)	n/a	n/a	0	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
Section 2, Page 3	Unaccounted For Gas (Mcf)	13	Mean: 358,944	n/a	No benchmark was established for this measure by the DTE.
Section 2, Page 2 & Appendix A	Capital Expenditures (# of projects and total \$)	12	Total Mean: \$39,681,814 Reliability-Related Mean: \$12,796,192	n/a	The Company has provided historic information on dollars spent associated with total capital invested and capital invested related to system-reliability. Please see both Section 2, Page 2 and Appendix A for additional information related to historic capital expenditures.
Appendix B 1/	Spare Component & Inventory Policy	n/a	n/a	n/a	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
2/	Customer Surveys (scale of 1-7):				
Section 3, Page 8	Random (MA Res. Cust. Survey)	7	n/a	6.1	Ten years worth of this data for this measure using the new scaling system and question format is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
Section 3, Page 8	Calls (Contact Center Survey)	n/a	n/a	6.5	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
3/	Accidents	n/a	n/a	2	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.
Section 3, Page 9	Customer Service Guarantees (#; total \$)	n/a	n/a	\$ 3,325.00	Ten years worth of this data for this measure is not currently available. Therefore, no mean has been calculated. Also, no benchmark was established for this measure by the DTE.

Notes: 1/ Bay State Gas Company's current spare component and acquisition inventory practice is to stock spare components and repair parts in its warehouses for every size gas main in their operating locations. When Bay State installs a new size gas main, spare components and repair parts for the new gas main are put into the inventory system. Bay State Gas Company believes it is critical to stock spare components and repair parts for its distribution system. Operations managers, supervisors, and engineers along with purchasing and warehouse personnel work together to stock these materials. See Appendix B for a listing of the monthly dollar value for CY 2004, which are associated with the company's inventory practices.

2/ For historic data see Section 2, Page 5.

3/ In CY 2004, the Company incurred the following two reportable incidents: (1) 7/12/04 in Agawam, MA and 9/29/04 in Springfield, MA.

**Bay State Gas Company
Service Quality Report for CY 2004
D.T.E. 05-12
Section Two**

Bay State Gas Company

D.T.E. 05-12
SUMMARY BSG SQ PERFORMANCE HISTORY
PENALTY-RELATED MEASURES

SQI Measures	History ^{1/}												TARGET			Weight
	2003	2002 ^{6/}	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	Sample Size	Mean (GOAL)	STD DEV (sample)	
SERVICE & BILLING:																
TSF 30 seconds - Non-emergency	73.0%	70.5%	75.8% ^{2/}	70.0%	61.0%	69.0%							6	69.9%	5.0%	6.25%
TSF 20 seconds - Non-emergency	70.7%	67.8%											2	69.3%	2.1%	
TSF 30 seconds - Emergency calls	96.9%	97.6%	97.7% ^{2/}	93.5%	96.2%	98.9%							6	96.8%	1.9%	6.25%
TSF 20 seconds - Emergency calls ^{3/}	93.5%	91.4%											2	92.5%	1.5%	
Service Appointments Kept	99.3%	99.4%	97.6%	96.9%	97.7%	96.8%	96.3%						7	97.7%	1.2%	12.50%
On-Cycle Meter Reads	95.3%	95.9%	92.8%	87.0%	90.7%	88.4%	87.2%	88.4%	90.7%	88.5%	85.9%		10 ^{4/}	89.6%	3.0%	10%
CUSTOMER SATISFACTION:																
Consumer Division Cases/1000 Cust.	1.3	1.3	1.2	2.5	1.5	1.5	1.3	1.0	1.4	2.0	2.0	1.7	10 ^{5/}	1.60	0.4	5%
	\$57.10	\$115.91	\$218.55	\$202.55	\$139.20	\$174.27	\$75.79	\$47.54	\$71.96	\$113.2	\$65.2	\$55.9	10 ^{5/}	\$116.42	\$63.58	5%
SAFETY:																
Lost Time Accident Rate	4.03	3.97	3.28	2.97	3.00	4.98	3.34	4.05	5.16				9	3.86	0.80	10%
Response To Odor Calls (< 1 hr.)	97.7%	98.6%	98.3%	97%	99%	97%	95%	96%	96%	95%	95%		n/a	95%		45%

100.00%

Notes:

^{1/} Years 1995-1999 reported on a Fiscal Year basis. 2000 reported on an annualized basis according to DTE guidelines, because the corporation moved from a Fiscal Year to a Calendar Year. Data from 2001 and on is reported on an Calendar Year basis.

^{2/} Bay State does not have historical data for this measure prior to 2002. However, pursuant to the DTE's Letter Order dated May 28, 2002, Bay State ordered, installed and implemented a new data recording system to report Emergency Call data at 20 seconds in parallel to the 30 second reporting.

^{3/} The results for 2002 were based on the 3 months of data that were gathered once the system to record this measure was installed.

^{4/} The Order issued in DTE 99-84 stated that the target benchmark would be calculated using the most current 10 years of data. If 10 years of data is not available, the benchmark would be based on at least 3 years of data, which would be updated with new data each year until 10 years of data was available. The 10 years of data is now available for this measure. The Mean (target) and standard deviation for the On-Cycle Meter Reading is based on the years 1993-2002.

^{5/} The Order issued in DTE 99-84 stated that the target benchmark would be calculated using the most current 10 years of data. If 10 years of data is not available, the benchmark would be based on at least 3 years of data, which would be updated with new data each year until 10 years of data was available. The 10 years of data is now available for this measure. The Mean (target) and standard deviation for both the Customer Satisfaction measures (Consumer Division cases and Billing Adjustments) is based on the years 1992-2001.

^{6/} See the Company's response to data request DTE 3-07, Attachment A in Docket No. D.T.E. 03-10 for the most current 2002 reported performance data.

SUMMARY - BSG CAPITAL SPENDING HISTORY

	Capital Investment Approved	Capital Investment Completed 3/	Capital Investment Related to System Maintenance Completed 1/	
			Replacements	Other Operations 2/
2004	\$37,682,249	\$36,629,575	\$15,421,895	\$1,261,053
2003	\$26,186,456	\$27,625,298	\$7,792,356	\$868,996
2002	\$29,834,642	\$30,172,843	\$7,041,564	\$877,677
2001	\$30,919,100	\$30,345,827	\$8,350,584	\$1,507,899
2000	n/a	\$33,736,573	\$8,440,293	\$355,511
1999	n/a	\$67,672,862	\$10,214,548	\$13,826,372
1998	n/a	\$38,863,794	\$10,378,019	\$2,219,611
1997	n/a	\$45,161,844	\$10,172,475	\$4,318,887
1996	n/a	\$35,913,533	\$7,720,601	\$2,394,570
1995	n/a	\$40,214,893	\$6,643,926	\$3,316,512
1994	n/a	\$41,335,366	\$11,675,532	\$2,732,421
1993	n/a	\$48,509,355	\$12,973,537	\$3,049,468
Mean 4/	\$31,155,612	\$39,681,814	\$9,735,444	\$3,060,748
Combined Mean 4/			\$12,796,192	

1/ See Appendix A for a list of each type of capital project the Company completed, including those projects that related to maintaining transmission and distribution reliability. A list of specific system reliability-related projects can generally be found under two major categories of work, including REPLACEMENTS/PROTECTION and OTHER OPERATIONS/TECHNICAL OPERATIONS/ENGINEERING & FACILITIES, respectively, depending on the year.

2/ System reliability-related projects that fall under the major category headings of OTHER OPERATIONS/TECHNICAL OPERATIONS/ENGINEERING & FACILITIES generally include the following subcategories: Regulators, Plant Work, Small Projects, and Special Projects. The Company notes, however, that it has not specifically identified only system reliability projects in each of these years.

3/ The Company notes that Capital Investment Completed figures include Total Overhead dollars, while Capital Investment Related to System Maintenance Completed does not.

4/ The Mean and Combined Mean are calculated using all data reported.

SUMMARY - BSG UNACCOUNTED FOR GAS HISTORY
(as reported in its Annual Report to the D.T.E. ^{1/})

<u>YEAR</u>	<u>Gas</u> <u>Accounted</u> <u>For</u> (MCF)	<u>Gas</u> <u>Unaccounted</u> <u>For</u> (MCF)	<u>% Gas</u> <u>Unaccounted</u> <u>For</u>
2004 ^{2/}	63,538,630	435,819	0.68%
2003	68,345,875	967,263	1.40%
2002	68,773,728	-95,467	-0.14%
2001	63,345,695	-299,313	-0.47%
2000	38,941,581	383,435	0.98%
1999	38,155,282	-182,456	-0.48%
1998	52,287,702	-146,610	-0.28%
1997	55,426,325	1,121,343	1.98%
1996	52,763,777	-706,193	-1.36%
1995	57,600,907	705,443	1.21%
1994	51,625,599	119,910	0.23%
1993	51,213,177	1,322,942	2.52%
1992	51,964,578	1,040,155	1.96%
Mean ^{3/}	54,921,758	358,944	0.63%

Notes: 1/ See Page 72, Lines 21-23 of the Company's Annual Report to the D.T.E. for this information.

2/ The Company's current Annual Report to the D.T.E. is not available at the time of this filing. Accordingly, the Company used an internal report (i.e., Schedule 26) for this information.

3/ The Mean is calculated using all data reported.

**SUMMARY BSG STAFFING HISTORY 1/
FULL TIME AND PART TIME REGULAR EMPLOYEES
DECEMBER 31, 1993 TO DECEMBER 31, 2004**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Mean 2/</u>
BSG Total Full-time FTEs	889	887	900	875	789	815	782	735	671	532	504	545	744
BSG Total Part-time FTEs	-	41	26	-	44	46	25	22	19	12	23	23	23
Total BSG FTEs 3/	889	928	926	875	833	861	807	757	690	544	527	568	767

Notes:

1/ These statistic exclude Northern Utilities, Granite State Gas Transmission and temporary employees as well as work that was outsources to third party vendors.

2/ The mean is calculated using all available data reported by category.

3/ Reported staffing levels ending 12/31/00 through 12/31/04 neither reflect employees who still work for Bay State and are now NiSource Corporate Service employees, nor positions that were eliminated at Bay State and now are performed in other locations.

SUMMARY OF BSG CUSTOMER SATISFACTION SURVEY HISTORY

Residential Customer Survey

YEAR	RESULT
2002	6.2
2003	6.2
MEAN	6.2

Service Contact Survey

YEAR	RESULT
2002	6.5
2003	6.2
MEAN	6.4

YEAR	RESULT
2001	90.60%
2000	90.50%
1999	91.70%
1998	92.60%
1997	93.30%
MEAN	91.74%

**Bay State Gas Company
Service Quality Report for CY 2004
D.T.E. 05-12
Section Three**

Telephone Service Factor

Percent of Non-Emergency and Emergency calls answered
within 30 seconds (& 20 seconds, measured in parallel)

Non-Emergency Calls

2004 Target (for 30 seconds): 69.9%

2004 Performance (for 30 seconds): 85.8%

Month	Number of calls	Answered within 30 seconds 1/	Monthly Percent	Period Percent	% Answered within 20 seconds
Jan-04	98,674	80,040	81.1%	81.1%	79.0%
Feb-04	94,150	74,963	79.6%	80.4%	77.7%
Mar-04	98,645	78,260	79.3%	80.0%	77.4%
Apr-04	84,275	75,440	89.5%	82.2%	88.1%
May-04	103,738	86,106	83.0%	82.3%	81.1%
Jun-04	94,144	83,117	88.3%	83.3%	86.7%
Jul-04	80,708	72,170	89.4%	84.1%	87.5%
Aug-04	80,699	69,183	85.7%	84.3%	83.6%
Sep-04	80,982	69,589	85.9%	84.4%	83.9%
Oct-04	96,597	83,060	86.0%	84.6%	83.5%
Nov-04	85,182	76,448	89.7%	85.0%	88.2%
Dec-04	79,610	75,606	95.0%	85.8%	93.8%
Year 2004	1,077,404	923,982		85.8%	83.9%

Emergency Calls

2004 Target (for 30 seconds): 96.8%

2004 Performance (for 30 seconds): 97.6%

Month	Number of calls	Answered within 30 seconds 1/	Monthly Percent	Period Percent	% Answered within 20 seconds
Jan-04	5,878	5,501	93.6%	93.6%	88.6%
Feb-04	3,883	3,793	97.7%	95.2%	94.5%
Mar-04	3,630	3,568	98.3%	96.0%	96.0%
Apr-04	3,425	3,386	98.9%	96.6%	96.3%
May-04	3,514	3,478	99.0%	97.0%	97.0%
Jun-04	3,297	3,251	98.6%	97.2%	96.4%
Jul-04	2,951	2,908	98.5%	97.4%	95.9%
Aug-04	3,161	3,149	99.6%	97.6%	98.1%
Sep-04	3,221	3,215	99.8%	97.8%	99.7%
Oct-04	4,448	4,281	96.2%	97.7%	95.4%
Nov-04	4,168	4,030	96.7%	97.6%	94.9%
Dec-04	3,872	3,782	97.7%	97.6%	95.8%
Year 2004	45,448	44,342	97.6%	97.6%	95.3%

Notes:

1/ The number of calls answered within 30 seconds is based on the system reported percent answered within 30 seconds multiplied by the number of calls.

Service Appointments Kept

Percent of service calls made on same day as appointment was
scheduled with customer

2004 Target: 97.7%

2004 Performance: 99.5%

Month	Number of Appointments	Number met same day scheduled	Monthly Percent	YTD Percent
Jan-04	4,552	4,530	99.5%	99.5%
Feb-04	4,446	4,425	99.5%	99.5%
Mar-04	6,783	6,754	99.6%	99.5%
Apr-04	5,595	5,567	99.5%	99.5%
May-04	6,124	6,094	99.5%	99.5%
Jun-04	6,568	6,447	98.2%	99.3%
Jul-04	6,357	6,341	99.7%	99.3%
Aug-04	6,416	6,403	99.8%	99.4%
Sep-04	7,245	7,227	99.8%	99.4%
Oct-04	7,625	7,566	99.2%	99.4%
Nov-04	7,602	7,575	99.6%	99.4%
Dec-04	6,280	6,250	99.5%	99.5%
Year 2004	75,593	75,179		99.5%

Actual on-cycle meter reads

Percent of actual reads for all meters due to be read at cycle

2004 Target: 89.6%

2004 Performance: 96.8%

Month	Total Meters To Be Read	Total Actual Reads	Monthly Percent	Period Percent
Jan-04	282,432	269,395	95.4%	95.4%
Feb-04	282,573	273,793	96.9%	96.1%
Mar-04	282,168	271,535	96.2%	96.2%
Apr-04	284,735	275,051	96.6%	96.3%
May-04	284,795	275,602	96.8%	96.4%
Jun-04	284,815	275,635	96.8%	96.4%
Jul-04	285,040	276,920	97.2%	96.5%
Aug-04	285,527	276,862	97.0%	96.6%
Sep-04	285,752	277,633	97.2%	96.7%
Oct-04	286,269	280,184	97.9%	96.8%
Nov-04	287,134	273,432	95.2%	96.6%
Dec-04	283,818	278,296	98.1%	96.8%
Year 2004	3,415,058	3,304,338		96.8%

Consumer Division Cases (per 1000 customers)

Number of consumer cases as recorded by the DTE Consumer Division

2004 Target: 1.6 cases per 1000 customers

2004 Performance: .97 cases per 1000 customers

Month	DTE Cases
Jan-04	13
Feb-04	20
Mar-04	25
Apr-04	16
May-04	28
Jun-04	26
Jul-04	18
Aug-04	21
Sep-04	22
Oct-04	20
Nov-04	25
Dec-04	13
Year 2004	247

Total # residential customers at end of period	255,248
# cases per 1000 customers	0.97

Billing Adjustments

Revenue adjustment amount resulting from the DTE intervention in a billing dispute between Bay State Gas and a residential customer

2004 Target: \$116.42 per 1000 customers

2004 Performance: \$42.37

Month	Adjustments per 1000 cust.
Jan-04	\$ 850.21
Feb-04	\$ 766.65
Mar-04	\$ 2,914.18
Apr-04	\$ -
May-04	\$ 1,347.51
Jun-04	\$ -
Jul-04	\$ 769.72
Aug-04	\$ 245.75
Sep-04	\$ 1,006.32
Oct-04	\$ 102.90
Nov-04	\$ 2,056.51
Dec-04	\$ 754.03
Year 2004	\$ 10,813.78

Total # residential customers at end of period	255,248
# cases per 1000 customers	\$42.37

Lost Work Time Accident Rate (per 100 customers)

Lost Work Time Accident Rate - Incident Rate of Lost Work Time Injuries and Illness
per 200,000 Employee Hours as defined by the U.S. Department of Labor, Bureau of Labor Statistics

2004 Target: 3.86 Lost Work Time Incidents per 100 employees

2004 Performance: 2.69

Restricted Work-Day Rate (per 100 employees) - Report Requirement Only

Restricted Work-Day Rate - Incident Rate of Restricted Work cases per 200,000 Employee Hours
as defined by the U.S. Department of labor, Bureau of Labor Statistics

Month	Hours Worked	Lost time		Restricted work	
		Number DAW Incidents	Monthly Incident Rate	# restricted work Incidents	Monthly Incident Rate
Jan-04	132,733	0.08	0.12	2	3.01
Feb-04	103,784	1	1.93	4	7.71
Mar-04	98,563	0	0.00	2	4.06
Apr-04	124,010	4	6.45	1	1.61
May-04	105,627	0	0.00	1	1.89
Jun-04	107,470	0	0.00	1	1.86
Jul-04	132,034	3	4.54	2	3.03
Aug-04	108,093	1	1.85	3	5.55
Sep-04	111,082	4	7.20	3	5.40
Oct-04	139,403	4	5.74	2	2.87
Nov-04	116,962	1	1.71	9	15.39
Dec-04	141,284	1	1.42	1	1.42
Year 2004	1,421,045	19	2.69	31	4.36

One hour or less response to odor calls

Percent of odor calls responded to in one hour or less

2004 Target: 95.0%

2005 Performance: 98.2%

Month	Number of calls	Number responded to within 1 hour	Monthly Percent	YTD Percent
Jan-04	2,015	1,941	96.3%	96.3%
Feb-04	1,620	1,584	97.8%	97.0%
Mar-04	1,407	1,389	98.7%	97.5%
Apr-04	1,399	1,386	99.1%	97.8%
May-04	1,358	1,346	99.1%	98.0%
Jun-04	1,357	1,331	98.1%	98.0%
Jul-04	1,169	1,151	98.5%	98.1%
Aug-04	1,198	1,192	99.5%	98.2%
Sep-04	1,449	1,419	97.9%	98.2%
Oct-04	1,926	1,899	98.6%	98.3%
Nov-04	1,882	1,848	98.2%	98.2%
Dec-04	1,646	1,613	98.0%	98.2%
Year 2004	18,426	18,099		98.2%

Consumer Surveys - Report Requirement Only

Survey responses use a scale of 1 to 7 where:
1 = Very dissatisfied and 7 = Very satisfied

Contact Center Survey - Survey of customers randomly selected from those customers who contacted the Company's Customer Service Department within the year in which service is being measured.

MA Residential Customer Survey - Customer satisfaction of a statistically representative sample of Residential Customers.

Month	Contact Center Survey vol. 1/	Rating	MA Res. Customers Survey vol. 2/	Rating
Jan-04	39	6.6	-	-
Feb-04	31	6.6	-	-
Mar-04	30	6.7	-	-
Apr-04	40	6.7	-	-
May-04	29	6.3	212	5.9
Jun-04	31	6.3	-	-
Jul-04	37	6.6	-	-
Aug-04	30	5.9	-	-
Sep-04	31	5.9	-	-
Oct-04	39	6.3	202	6.3
Nov-04	30	6.5	-	-
Dec-04	31	-	-	-
Year 2004	398	6.5	414	6.1

Notes:

- 1/ The Contact Center Survey was conducted by Wilkerson Associates, Louisville, KY.
- 2/ The MA Residential Customer Survey was conducted by Research Data Analysis, Inc., Bloomfield Hills, MI.

Customer Service Guarantees

Failure to keep appointments scheduled with the customer or failure to notify customers of a planned interruption (outage) will result in a \$25 credit to the customer.

Month	Appointments missed by > 4hrs.	Planned outages not notified	Penalties credited to Customers
Jan-04	11	0	\$ 275.00
Feb-04	10	0	\$ 250.00
Mar-04	15	0	\$ 375.00
Apr-04	9	0	\$ 225.00
May-04	11	0	\$ 275.00
Jun-04	13	0	\$ 325.00
Jul-04	11	0	\$ 275.00
Aug-04	10	0	\$ 250.00
Sep-04	7	0	\$ 175.00
Oct-04	12	0	\$ 300.00
Nov-04	13	0	\$ 325.00
Dec-04	11	0	\$ 275.00
Year 2004	133	0	\$ 3,325.00

**Bay State Gas Company
Service Quality Report for CY 2004
D.T.E. 05-12
Appendix A**

Bay State Gas Company
CALENDAR YEAR 2004
CAPITAL SPENDING DETAIL

	(Col 1) 12 MONTH ACTUAL	(Col 2) 12 MONTH BUDGET	(Col 3) Year To Date Variance
GROWTH			
New Mains Installed			
Units	134,812	140,347	(5,535)
Unit Cost	\$8.82	\$10.55	(\$1.73)
Dollars	1,188,853	1,480,253	(291,400)
New Residential Service			
Units	2,108	1,986	122
Unit Cost	\$1,464.21	\$1,256.67	\$207.54
Dollars	3,086,552	2,495,751	590,801
New C&I Service			
Units	357	562	(205)
Unit Cost	\$2,377.68	\$1,227.98	\$1,149.70
Dollars	848,831	690,123	158,708
New Residential Meters			
Units	3,894	2,952	942
Unit Cost	\$84.85	\$80.32	\$4.53
Dollars	330,417	237,116	93,301
New C&I Meters			
Units	233	264	(31)
Unit Cost	\$1,756.80	\$1,451.37	\$305.43
Dollars	409,335	383,162	26,173
BMIP	0	0	0
SPECIAL PROJECTS	89,833	668,191	(578,358)
Total Growth	5,953,821	5,954,596	(775)
RENTALS			
New Resid CB			
Units	42	83	(41)
Unit Cost	\$777.48	\$434.71	\$342.77
Dollars	32,654	36,081	(3,427)
New C&I CB			
Units	0	12	(12)
Unit Cost		\$1,406.00	#VALUE!
Dollars	8,328	16,872	(8,544)
New Water Heaters			
Units	1,318	1,722	(404)
Unit Cost	\$719.30	\$473.23	\$246.07
Dollars	948,033	814,898	133,135
Replacement Water Heater			
Units	2,072	2,580	(508)
Unit Cost	\$489.76	\$416.46	\$73.31
Dollars	1,014,787	1,074,456	(59,669)
Total Rentals	2,003,802	1,942,307	61,495
METER WORK			
Upgrade Meter Fits			

**Bay State Gas Company
CALENDAR YEAR 2004
CAPITAL SPENDING DETAIL**

	(Col 1) 12 MONTH ACTUAL	(Col 2) 12 MONTH BUDGET	(Col 3) Year To Date Variance
Units	2,105	1,684	421
Unit Cost	\$172.62	\$230.32	(\$57.70)
Dollars	363,362	387,864	(24,502)
Instrumentation			
Units	314	459	(145)
Unit Cost	\$166.70	\$92.05	\$74.66
Dollars	52,345	42,249	10,096
Relocate Meter Fits			
Units	664	604	60
Unit Cost	\$130.70	\$175.09	(\$44.39)
Dollars	86,784	105,756	(18,972)
Residential Metscan			
Units	0	0	0
Unit Cost			#VALUE!
Dollars	96	0	96
C&I Metscan			
Units	21	57	(36)
Unit Cost	\$659.00	\$167.96	\$491.04
Dollars	13,839	9,574	4,265
Total Meter Work	516,426	545,443	(29,017)
REPLACEMENTS			
Replacement Mains			
Units	124,372	194,746	(70,374)
Unit Cost	\$72.26	\$48.92	\$23.34
Dollars	8,986,940	9,526,565	(539,625)
Replacement Resid Serv			
Units	2,169	2,789	(620)
Unit Cost	\$1,542.24	\$1,202.26	\$339.99
Dollars	3,345,128	3,353,090	(7,962)
Replacement C&I Serv			
Units	95	148	(53)
Unit Cost	\$2,518.27	\$960.20	\$1,558.08
Dollars	239,236	142,109	97,127
Uprate			
Units	0	0	0
Unit Cost			#VALUE!
Dollars	95,904	0	95,904
Joint Sealing			
Units	847	794	53
Unit Cost	\$1,003.47	\$969.08	\$34.39
Dollars	849,936	769,447	80,489

Bay State Gas Company
CALENDAR YEAR 2004
CAPITAL SPENDING DETAIL

	(Col 1) 12 MONTH ACTUAL	(Col 2) 12 MONTH BUDGET	(Col 3) Year To Date Variance
Keyholing			
Units	939	912	27
Unit Cost	\$461.54	\$481.12	(\$19.58)
Dollars	433,390	438,784	(5,394)
Cathodic Protection			
Units	825	354	471
Unit Cost	\$792.12	\$1,327.00	(\$534.88)
Dollars	653,499	469,758	183,741
Tie-Overs			
Units	616	1,311	(695)
Unit Cost	\$1,113.98	\$365.01	\$748.97
Dollars	686,210	478,525	207,685
Misc- Meter Barriers			
Units	232	391	(159)
Unit Cost	\$167.59	\$141.40	\$26.19
Dollars	38,880	55,286	(16,406)
Special Projects	92,772	123,150	(30,378)
EXPECTED SAVINGS 2003	0	0	0
Total Replacements	15,421,895	15,356,714	65,181
OTHER OPERATIONS			
Regulators	808,676	994,375	(185,699)
Plant Work	452,377	0	452,377
Transportation	0	0	0
Meter Purchases	926,070	573,478	352,592
Small Projects	0	0	0
Special Projects	0	0	0
ERT MASS & NH	3,027	0	3,027
Total Other Operations	2,190,150	1,567,853	622,297
TECHNOLOGY			
	281,238	2,840,100	(2,558,862)
OTHER GENERAL			
Office Equipment	41,970	0	41,970
Other Equipment	188,182	109,236	78,946
Small Projects	215,695	150,000	65,695
Total Other	445,847	259,236	186,611
Overheads	5,647,327	5,325,000	322,327
Indirect Supv & Non Prod	4,169,069	3,891,000	278,069
	0	0	0
Total Overheads	9,816,396	9,216,000	600,396
Total LDC Capital	36,629,575	37,682,249	(1,052,674)

**Bay State Gas Company
Service Quality Report for CY 2004
D.T.E. 05-12
Appendix B**

BAY STATE GAS COMPANY INVENTORY EVALUATION 2004

		Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04 1/
SPRINGFIELD														
	Warehouse	\$657,179	\$684,457	\$729,851	\$725,925	\$745,065	\$754,975	\$725,284	\$702,637	\$796,247	\$715,118	\$733,041	\$713,747	\$767,608
	Contractors	\$24,445	\$24,008	\$24,008	\$24,008	\$0	\$45,044	\$45,044	\$45,044	\$45,044	\$45,044	\$45,044	\$15,193	\$15,193
	Plumbers	\$62,445	\$75,705	\$75,208	\$103,488	\$75,656	\$59,017	\$77,495	\$83,404	\$89,876	\$70,558	\$91,265	\$119,906	\$151,435
	Truck Stock	\$234,877	\$234,877	\$181,999	\$181,999	\$181,999	\$181,999	\$181,999	\$181,999	\$174,738	\$174,738	\$174,738	\$174,738	\$174,738
	TOTAL	\$978,945	\$1,019,047	\$1,011,066	\$1,035,420	\$1,002,720	\$1,041,034	\$1,029,821	\$1,013,084	\$1,105,904	\$1,005,458	\$1,044,088	\$1,023,584	\$1,108,974
BROCKTON														
	Warehouse	\$709,311	\$725,558	\$731,832	\$749,369	\$762,758	\$801,521	\$783,025	\$872,499	\$834,679	\$837,916	\$770,528	\$760,186	\$777,218
	Contractors	\$42,046	\$42,046	\$42,046	\$42,046	\$49,139	\$56,287	\$59,558	\$67,639	\$50,339	\$61,520	\$52,972	\$53,696	\$58,009
	Plumbers	\$82,580	\$103,779	\$130,506	\$141,359	\$142,861	\$93,384	\$106,128	\$122,229	\$103,299	\$98,395	\$118,548	\$155,271	\$172,948
	Truck Stock	\$150,972	\$150,972	\$150,972	\$150,972	\$150,972	\$150,972	\$150,972	\$150,972	\$159,337	\$159,337	\$159,337	\$159,337	\$159,337
	TOTAL	\$984,910	\$1,022,356	\$1,055,357	\$1,083,746	\$1,105,730	\$1,102,164	\$1,099,683	\$1,213,339	\$1,147,653	\$1,157,168	\$1,101,385	\$1,128,490	\$1,167,511
LAWRENCE														
	Warehouse	\$423,003	\$433,316	\$446,625	\$465,349	\$485,219	\$472,247	\$490,525	\$498,992	\$485,043	\$498,865	\$471,271	\$456,305	\$487,655
	Contractors	\$10,645	\$10,645	\$10,645	\$10,645	\$10,645	\$10,896	\$10,896	\$10,896	\$10,896	\$10,896	\$10,896	\$10,896	\$10,896
	Plumbers	\$25,739	\$24,157	\$28,265	\$34,972	\$25,389	\$21,226	\$28,273	\$26,008	\$26,007	\$27,705	\$34,051	\$41,056	\$41,871
	Truck Stock	\$70,362	\$70,362	\$72,252	\$72,252	\$72,252	\$72,252	\$72,252	\$72,252	\$81,067	\$81,067	\$81,067	\$81,067	\$81,067
	TOTAL	\$529,749	\$538,480	\$557,787	\$583,218	\$593,506	\$576,622	\$601,946	\$608,148	\$603,014	\$618,534	\$597,285	\$589,324	\$621,490
PORTSMOUTH														
	Warehouse	\$581,343	\$592,024	\$608,723	\$622,567	\$637,477	\$627,847	\$635,073	\$616,331	\$612,456	\$576,958	\$589,180	\$573,399	\$594,000
	Portland	\$18,863	\$18,741	\$14,680	\$16,052	\$48,247	\$49,074	\$22,691	\$41,304	\$49,252	\$49,250	\$36,600	\$36,489	\$37,890
	Lewiston	\$1,629	\$1,629	\$1,629	\$1,629	\$2,229	\$8,788	\$3,883	\$3,883	\$3,883	\$3,883	\$3,883	\$3,932	\$3,932
	Contractors	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$16,336	\$16,413	\$17,851	\$19,088	\$16,450
	Truck Stock	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199	\$89,199
	TOTAL	\$705,801	\$716,360	\$728,998	\$744,215	\$791,920	\$789,676	\$765,614	\$765,485	\$771,126	\$735,703	\$736,714	\$722,107	\$741,471
	TOTAL WAREHOUSE	\$2,391,327	\$2,455,724	\$2,533,339	\$2,580,891	\$2,680,995	\$2,714,452	\$2,660,481	\$2,735,646	\$2,781,559	\$2,681,990	\$2,604,504	\$2,544,059	\$2,668,304
	TOTAL CONTRACTOR	\$91,904	\$91,468	\$91,468	\$91,467	\$74,552	\$126,995	\$130,266	\$138,347	\$122,615	\$133,873	\$126,763	\$98,874	\$100,548
	TOTAL PLUMBER	\$170,763	\$203,641	\$233,979	\$279,819	\$243,907	\$173,627	\$211,896	\$231,641	\$219,182	\$196,658	\$243,864	\$316,232	\$366,254
	TOTAL TRUCK STOCK	\$545,410	\$545,411	\$494,422	\$494,422	\$494,422	\$494,422	\$494,422	\$494,422	\$504,341	\$504,341	\$504,341	\$504,341	\$504,341
	LUDLOW PROJECT							\$104,943	\$154,043	\$214,753	\$214,753	\$226,841	\$226,841	\$226,841
	WYETH PROJECT								\$91,462	\$99,313	\$99,313	\$99,313	\$99,313	\$99,313
	GRAND TOTAL	\$3,199,404	\$3,296,243	\$3,353,208	\$3,446,599	\$3,493,876	\$3,509,496	\$3,602,008	\$3,845,561	\$3,941,763	\$3,830,928	\$3,805,626	\$3,789,659	\$3,965,601
INVENTORY CHANGE PER LOCATION PER MONTH														
	Springfield		\$40,102	-\$7,981	\$24,354	-\$32,701	\$38,315	-\$11,213	-\$16,737	\$92,820	-\$100,446	\$38,631	-\$20,504	\$85,390
	Brockton		\$37,446	\$33,001	\$28,389	\$21,985	-\$3,566	-\$2,481	\$113,656	-\$65,686	\$9,514	-\$55,783	\$27,105	\$39,021
	Lawrence		\$8,731	\$19,306	\$25,431	\$10,288	-\$16,884	\$25,325	\$6,202	-\$5,134	\$15,520	-\$21,249	-\$7,960	\$32,166
	Portsmouth		\$10,559	\$12,638	\$15,217	\$47,705	-\$2,244	-\$24,062	-\$130	\$5,641	-\$35,423	\$1,011	-\$14,607	\$19,364
	Ludlow							\$104,943	\$49,100	\$60,710	\$0	\$12,088	\$0	\$0
	Wyeth								\$91,462	\$7,851	\$0	\$0	\$0	\$0
TOTAL CHANGE PER MONTH			\$96,839	\$56,965	\$93,391	\$47,277	\$15,620	\$92,512	\$243,553	\$96,202	-\$110,835	-\$25,302	-\$15,966	\$175,942
TOTAL CHANGE 2003/2004			\$96,839	\$153,804	\$247,195	\$294,472	\$310,092	\$402,603	\$646,157	\$742,359	\$631,524	\$606,222	\$590,255	\$766,197

NOTES: 1/ The Company notes that the 12/31/04 balance of \$3,965,601 reported above will not match the Plant Materials and Operating Supplies (Account 154) reported on Page 24 of the 2004 Annual Report. Appendix B excludes inventory held at contractor warehouses, some truck stock, and some inventory being repaired at the Company's fabrication shops. Appendix B also includes inventory at the Company's Portsmouth, NH office, which is not carried on Bay State's books.